

Transportation Reauthorization Summit
Wednesday, May 28, 2003
8:00 a.m.
Sheraton Mesa Hotel, Mesa

Good morning. Thank you for the opportunity to be here with you this morning for Arizona's Transportation Reauthorization Summit

As you know, one of the priorities for the 108th Congress is the reauthorization of the current federal transportation law, TEA-21. TEA-21 will expire on September 30, 2003 and Congress is already working to enact a new law to establish transportation priorities and funding mechanisms for the next six years.

TEA-21 was landmark legislation that authorized new federal funding and new programs for highway and transit over a period of six years. For Arizona, TEA-21 funded major improvements on many of our important trade and passenger corridors such as US 93, Interstate 10 in the Tucson area, and State Route 87.

It has also funded improvements in our International Ports of Entry, provided needed assistance in the development of our intercity transit systems and facilitated our use of technology to begin building SMART and efficient corridors. Even with the great strides made under TEA-21, growth in our State has outpaced our ability to keep up with our transportation needs.

The purpose of this important summit is to provide a focus for Arizona stakeholders to identify general priorities that we can all agree will benefit the State of Arizona.

This is a critical part of gaining some broad areas of support from Arizona Stakeholders that will assist our Congressional Delegates in their efforts during the reauthorization process. The reauthorization process determines which transportation programs are included and what levels of funding are available for transportation. It is essential that there is a consistent Arizona message to our Delegates, at least on the broad issues.

As you know, I have five priorities to build the new Arizona:

- Support education
- Build the new Arizona economy
- Ensure Homeland Security
- Protect Arizona's children and seniors
- and preserve our land and protect our water.

While each of these priorities is impacted by the status of our transportation systems, two of these priorities, building the new Arizona economy and ensuring homeland security require a strong and well-maintained transportation system.

This means a reliable, and accessible multi-modal transportation system must be in place to provide for the efficient mobility of people and goods. Our transportation system must enhance Arizona's natural beauty and cultural environment while combining preservation with needed expansions.

Coordination with local and regional transportation improvements and review of land use planning is vital to the success of our system.

Finally, it must improve Arizona's economic competitiveness and provide access to economic opportunities for all Arizonans. Today, we all have an opportunity to actively participate in a process that can help build a strong new economy for Arizona and strengthen our transportation safety and security.

The New Arizona Economy

The transportation reauthorization legislation needs to ensure a positive economic stimulus for Arizona by investing sufficient dollars to meet Arizona's growing transportation and economic needs. United States Department of Transportation statistics show that for each \$1 billion dollars invested in transportation, there are 47,500 jobs created and \$6.1 billion in economic activity.

If just \$5 billion dollars is added to the fund for the six-year period, Arizona could expect an estimated \$75 million, which translates into approximately 3500 jobs and about \$450 million in economic activity.

This is the kind of economic stimulus that will boost our economy and create new jobs for Arizonans.

Growth

Arizona is the second fastest growing State in the United States. The increasing population provides manpower resources to attract businesses such as the technology industry, which in turn provide increases in the economy and jobs. But Arizona must have and maintain an adequate transportation infrastructure to provide access for businesses and its employees.

This growth has had an enormous impact on our transportation systems. There has been more than a 25 percent growth in the number of registered passenger vehicles and more than a 17 percent growth in registered commercial vehicles since 1995.

More than 71 million vehicle miles were traveled daily on Arizona highways in 2001. Eighty five percent of Arizona is public land that requires adequate funding to provide transportation systems to serve these public areas.

Safety

While much progress has been made through safety programs and new technologies, motor vehicle accidents resulted in \$2.68 billion in economic loss to Arizona in 2000. Arizona has more than 1,000 fatal accidents per year on the highway system. This means almost 3 persons are killed every day.

What's more, pedestrian fatalities in Arizona were the 2nd highest in the nation for 2001. We need to find ways to improve highway safety and protect the lives of our citizens.

Interstate and International Trade

Arizona has enormous opportunity for economic growth through both interstate and international trade.

Commercial traffic is increasing on our major routes. Each year, more than 6.5 million commercial vehicles pass through Arizona's 22 ports of entry. More than 40 percent of travel on Interstate 40 and more than 25 percent on I-10 between Phoenix and Tucson are commercial vehicles.

Freight transportation is growing both within the State providing deliveries to Arizona consumers, and importing and exporting goods with other States in the nation. Arizona is a major connector for interstate commerce and travel.

We are also in an excellent position to become one of the busiest trade portals in the world. Our proximity to the Port of Guaymas, Sonora provides us with an opportunity to continue expansion of our trade market.

More than \$3.6 billion worth of products were exported to Mexico in 2001 through our 6 international ports of entry. \$8.2 billion in freight passes through just one of our ports of entry, Mariposa in Nogales, every year.

Nearly 70% of the winter produce consumed in the United States and Canada passes through the Mariposa Port of Entry in Nogales. I have asked the Arizona-Mexico Commission to pursue additional trade opportunities in Mexico and South America so that Arizona becomes the premier trade portal to Latin America. In order to realize this economic advantage, we require safe and efficient ports of entry and highways, which can handle the capacity.

Some of the important Arizona projects during the new reauthorization period which will expedite and increase trade and tourist activity for Arizona include:

Hoover Dam Bypass Bridge – A much needed project prior to 9/11 is the completion of the new bridge. When in place, the bridge will reduce travel time for commercial vehicles currently detoured away from the dam, reduce fuel cost incurred by the detour, and reduce accidents involving commercial vehicles by providing a new safer route.

CyberPort – This project develops a state-of-the-art port of entry which envisions unified inspections procedures and forms among countries and across ports. Some of the important features, which will enhance our capacity for commercial trade include:

The CANAMEX Corridor– When fully implemented, this corridor is estimated to impact approximately \$1 million jobs to the 5 states, Arizona, Nevada, Utah, Idaho and Montana, covered by this route.

CANAMEX Corridor highway needed improvements have been estimated to cost more than \$4 billion. Arizona is currently at less than 10 percent completion for planned and needed improvements.

One element that is essential for economic growth will be telecommunications infrastructure. Because most of the rural areas along the CANAMEX Corridor are lagging in broadband access, this bold initiative's main elements are:

1. Partnering government with telecommunications companies to install broadband service to smaller town and rural communities.
2. Encouraging the deployment of fiber optic and other telecommunications cable lines within the CANAMEX Corridor.
3. Reviewing the status of Wireless Local Loop technology carriers in the Corridor states and providing recommendations on how to facilitate deployment of these carriers for "last mile" access in rural areas.
4. Establishing a north-south broadband backbone to ensure that the needed cabling is available to implement our Intelligent Transportation Systems and related smart corridor enhancements.

Homeland Security

Reauthorization legislation also needs to ensure that funding is provided for transportation security. Transportation infrastructure such as bridges, emergency access roads, public transit systems and evacuation corridors must be safeguarded against potential terrorist acts.

Border safety needs have increased dramatically and while border security must be enhanced, ways must also be found to ensure an efficient flow of traffic.

Arizona in cooperation with the Federal Highway Administration is assessing the vulnerabilities of the current transportation system to ensure that vulnerabilities are prioritized for remediation and plans are in place for mass evacuations in case of an emergency. These are all activities that need to be funded.

The U.S. Department of Interior has identified the Hoover Dam Bypass Project as its number one national security priority. U.S. 93, including the Hoover Dam crossing, is the only major highway in the nation with ongoing restrictions as the result of the terrorist attack.

Communication among state and local authorities to coordinate their joint incident response is a key to homeland security. There are several programs underway which we need to support through this next reauthorization period:

AZTech, an Intelligent Transportation System (ITS) project to integration ITS throughout Maricopa County will improve regional safety by enhanced traffic management, incident and emergency management and advanced traveler information.

CyberPort, which will include the following:

1. Bi-national port intelligence functions that are able to intercept terrorism prior to critical infrastructure.
2. Jointly coordinated and trained HAZMAT team to respond to issues on both sides of the border.
3. Remote or automated technology to detect safety and security risks.
4. Physical separation of low and high-risk traffic with the ability to divert suspicious or high-risk crossings to remote areas.
5. Rapid screening technology for hazards and contraband.

Conclusion

The cost to maintain Arizona's highway system continues to increase as our state grows and additional vehicles travel on our highways. With continue growth into the foreseeable future, additional challenges to our transportation system must be addressed.

- We need to ensure adequate capacity to accommodate increased traffic, both commercial and passenger.

- We need to ensure that our transportation system is safe and secure.
- We need to plan and find new innovations to reduce congestion and increase our air quality.
- And we need to maintain the existing system to a level that our customers expect.

This summit brings Arizona's transportation stakeholders together to work on a shared vision for the Arizona of tomorrow. By working together, we can put forth a plan which shows a united vision for Arizona's transportation system; one that is efficient and innovative helping to move the State into a bright, safe and growing economic future.